

UNITED COMMUNICATIONS, INC.

**REPORT OF MANAGEMENT ON
COMPLIANCE WITH THE FEDERAL
COMMUNICATIONS COMMISSION'S
THIRD PAYPHONE ORDER**

October 23, 2007

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
United Communications, Inc.
Bend, Oregon

We have examined management's assertion, included in the accompanying Report of Management on Compliance with the Federal Communications Commission's Third Payphone Order 03-235¹ that United Communications, Inc. (the Company) complied with the requirements set forth in the Federal Communications Commission's Order 03-235 as of April 30, 2007. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of April 30, 2007, is fairly stated, in all material respects.

This report is intended solely for the information and use of United Communications, Inc., Eschelon Telecom, Inc., the Federal Communications Commission, and other parties as prescribed by the Federal Communications Commission Order 03-235 Appendix C section 64.1320(b) and is not intended to be, and should not be used by anyone other than these specified parties.

MOSS ADAMS LLP

Spokane, Washington
October 23, 2007

¹ The "Third Payphone Order" refers to *In the Matter of The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, released October 3, 2003, by the Federal Communications Commission (FCC). The requirements of the Third Payphone Order are set forth in the Appendix C of the above referenced Report and Order.

**Report of Management on Compliance with the
Federal Communications Commission's
Third Payphone Order 03-235**

Management of United Communications, Inc. (United) is responsible for complying with the requirements set forth in Federal Communications Commission (FCC) 03-235 (Third Payphone Order) as of the date of this report.

Management has performed an evaluation of United's compliance with the requirements of the Third Payphone Order as of the date of this report. Based on this evaluation, we assert that United has complied with the requirements of the Third Payphone Order.

United complied with the requirements of this order in the following manner:

1. United has developed a system to identify and collect completed coinless subscriber toll-free payphone calls to completion.

United identifies completed coinless calls utilizing the following parameters:

- a. an answer supervision signal has been received; and
 - b. the Automated Number Identification (ANI) matches a compensable number provided by a payphone service provider.
2. United has designated persons to be responsible for tracking, compensating, and resolving disputes concerning completed payphone calls.
 3. United has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
 4. United has established internal protocols to ensure that any software, personnel, and network changes do not adversely affect United's ability to track payphone call records.
 5. United creates monthly compensable payphone call files by applying logic that matches call detail records against payphone identifiers to call data to identify and select compensable payphone records.
 6. United has developed procedures to incorporate call data into the following required quarterly reports:

Completing Carrier Reports

- a. A list of toll-free numbers dialed from each of the payphone service provider's payphones and ANI for each payphone;
- b. The volume of calls for each number identified in "a" above that were completed by United;
- c. The name, address, and phone number of the person or persons responsible for handling United's payphone compensation; and
- d. The carrier identification code (CIC) of all facilities-based long distance carriers that routed calls to United, categorized according to the list of toll-free and access code numbers identified in "a" above.

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Intermediate Carrier Reports

- a. As of the date of the report, United operates a closed-network environment and as a result does not switch payphone originated calls to other facilities-based long distance carriers; therefore, United has no intermediate carrier reports to create.
- 7. United has developed and implemented procedures and controls internally to identify, respond to, and resolve disputes.
- 8. United has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that fall-out of the process are insubstantial.
- 9. United has developed a process and business rules that accurately identify:
 - a. Payphone originated calls –
 - i. United identifies payphone originated coinless calls utilizing the following parameter:
 - 1. the ANI matches a compensable number provided by a payphone service provider.
 - b. Completed payphone calls that are compensable to the payphone service providers –
 - i. Payphone calls that are compensable to the payphone service providers are identified as completed coinless calls utilizing the following parameters:
 - 1. an answer supervision signal has been received; and
 - 2. the ANI matches a compensable number provided by a payphone service provider.
 - c. Payphone calls that are incomplete or otherwise noncompensable –
 - i. Incomplete payphone calls that are otherwise noncompensable to the payphone service providers are identified as coinless calls utilizing the following parameters:
 - 1. an answer supervision signal has been received; and
 - 2. the ANI matches a compensable number provided by a payphone service provider.
 - d. The identity of the payphone service providers to which United owes compensation.

**Report of Management on Compliance with the
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